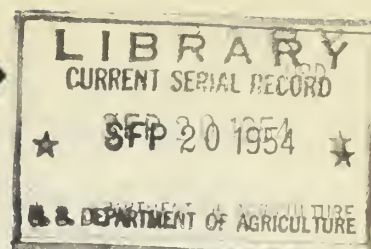


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Foreign CROPS AND MARKETS



FOR RELEASE MONDAY, SEPTEMBER 6, 1954

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

L A T E N E W S

The Australian wool auction opened in Sydney August 30 with prices prevailing down to about 10 percent under the June closing. Second day sales dropped by another 2 1/2 percent and the opening at Adelaide confirmed the lower levels.

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FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U.S. needing the information it contains.

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WORLD COFFEE PRODUCTION FOR 1954-55 FORECAST AT 41.7 MILLION BAGS 1/

World production of green coffee for the marketing year 1954-55 is forecast at 41.7 million bags (of 132,276 pounds each), compared with 41.4 million bags (revised) for 1953-54 and 40.8 million bags (revised) for 1952-53. The total forecast for 1954-55 exceeds the postwar (1946-47/1950-51) average of 36.9 million bags by 13 percent and is slightly larger than the prewar (1935-36/1939-40) average of 41.6 million bags.

World exportable production of coffee may exceed 33.8 million bags for the marketing season 1954-55, compared with 33.5 million bags for 1953-54 and 32.6 million bags during 1952-53. Dispatches from foreign posts indicate that distribution of coffee in producing countries fell from about 8.2 million bags in 1952-53 to less than 7.9 million bags in 1953-54 as many producers pushed exports at the expense of home consumption.

The forecast for 1954-55 and the revised estimate for 1953-54 bring more clearly into focus the following factors of importance to coffee consumers: (1) there was no decline in total world production following the 1952-53 marketing season despite the Brazilian frost of July 1953; (2) there was no significant decline in Western Hemisphere coffee production (important to the United States consumer) following the 1952-53 marketing season; (3) total world production for the 1953-54 marketing season exceeded current world consumption of about 40.4 million bags 2/; and (4) the marketing season 1954-55 should be the last season during which a close balance exists between world production and world consumption. The excess of future production over consumption will depend largely upon the extent to which Brazilian production recovers from the July 1953 frost damage 3/ and the extent to which world consumption reacts to price declines.

The forecast for the current marketing season reflects in part a good crop year in the biennial cycle of coffee production for many producing areas. However, the slightly increased total world production despite a setback to production in Brazil, reflects more strongly the increased plantings of the postwar period - particularly those which followed the price rise of 1949-50. These plantings are moving now into production and promise to maintain world output above world requirements after the 1954-55 season.

1/ A more extended statement soon will be published as a Foreign Agriculture Circular by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C. 2/ Total exports from world producers averaged 32.3 million bags annually for the 5 years 1949 to 1953. Distribution within the producing countries averaged 8.1 million bags annually for the same 5 year period. 3/ See Foreign Agriculture Circular FCB 3-54, May 21, 1954, page 52 for forecast of recovery from that frost.

GREEN COFFEE: World production, averages 1935-36/1939-40, 1946-47/1950-51, annual 1952-53, preliminary estimate 1953-54, forecast 1954-55.

Continent and country	Averages		1952-53	Preliminary 1953-54	Forecast 1954-55
	1935-36/ 1939-40	1946-47/ 1950-51			
	Bags 1/	Bags 1/			
North America					
Costa Rica	390	370	550	358	548
Cuba	425	564	445	530	3/ 500
Dominican Republic	347	348	442	467	467
El Salvador	1,091	1,203	1,365	1,073	1,530
Guatemala	1,002	1,044	1,245	1,200	1,230
Haiti	538	617	595	700	530
Honduras	57	131	197	249	3/ 200
Mexico	959	1,004	1,450	4/ 1,320	1,680
Nicaragua	280	293	4/ 363	4/ 340	390
Other 5/	251	311	420	538	3/ 500
Total	5,340	5,885	7,072	6,775	7,575
South America					
Brazil	25,340	18,704	19,170	6/ 19,000	6/ 18,000
Colombia	4,452	5,840	4/ 6,405	4/ 6,900	5/ 7,125
Ecuador	254	280	389	380	425
Peru	80	93	4/ 128	4/ 153	175
Venezuela	940	698	900	600	800
Other 7/	83	26	41	39	3/ 40
Total	31,149	25,641	27,033	27,072	26,565
Africa					
Angola	300	816	917	4/ 1,067	1,000
Belgian Congo	320	538	600	4/ 563	600
Ethiopia	345	363	606	483	783
French W. Africa	250	940	983	4/ 1,500	1,600
Kenya	297	156	215	4/ 192	203
Madagascar	537	467	689	4/ 725	750
Tanganyika	263	240	168	4/ 339	339
Uganda	225	514	440	491	508
Other 8/	65	297	401	438	3/ 440
Total	2,602	4,331	5,019	5,798	6,223
Asia and Oceania					
India	278	309	384	4/ 501	373
Indonesia	1,961	485	1,008	4/ 996	703
Yemen	80	99	67	80	3/ 70
Other 9/	176	182	221	222	3/ 222
Total	2,495	1,075	1,680	1,799	1,368
World Total	41,586	36,932	40,804	41,444	41,731
Exportable					
Production	35,017	28,900	32,629	33,544	33,831

1/ Bags of 132.3 pounds each. 2/ Preliminary. 3/ Office estimate. 4/ Revised.
 5/ Includes B.W.I., Panama, and Puerto Rico. 6/ Production as estimated by Federal Trade Commission. 7/ Includes Bolivia, Paraguay and Surinam. 8/ Includes Fr. Cameroons, Equatorial Africa, Togoland, Liberia, Sao Thome, Principe, Sierra Leone, Spanish Africa and Gold Coast. 9/ Includes Indochina, Philippines, New Caledonia, New Hebrides, Hawaii and North Borneo.

LIVERPOOL COTTON EXCHANGE MAY OFFER EGYPTIAN FUTURES CONTRACT

The Liverpool Cotton Association is moving ahead with its plan to offer a futures contract for Egyptian long-staple cotton in addition to its present contract on American Upland. The Association hopes that the long-staple contract can be put into operation some time next spring, according to British press sources.

In recent months a committee of British traders, working closely with their Egyptian colleagues, have prepared a draft contract which has been approved by the Liverpool Cotton Association. It will shortly be sent to interested officials in Egypt for their consideration.

Officials of England and Egypt had hoped that the Alexandria futures market might be reopened simultaneously with the launching of this new contract in Liverpool. According to press sources, however, this may not be possible.

FRANCE PLANS TO IMPORT MORE U. S. COTTON IN 1954-55

Plans of the French Government for the 1954-55 cotton import program include approximately 530,000 bales (500 pounds gross) from the United States, or 13 percent more than estimated imports of 470,000 bales in 1953-54. Total cotton imports from all sources are expected to equal, or possibly exceed the 1,340,000 bales imported in 1953-54. Financing for about 203,000 bales from the United States has already been provided by the grant of \$39.2 million of United States economic assistance funds. The French Government has authorized dollar exchange for about 36,000 bales, and they hope to pay for a large part of the balance of 291,000 bales with French francs.

Stocks of about 403,000 bales on June 1, 1954, represent an approximate 4-month supply based on anticipated 1954-55 consumption, and are the highest reported since the 1950-51 season.

Consumption of raw cotton in France during the 1953-54 season is estimated at 1,320,000 bales (including cotton destroyed or reexported) and is the highest on record. The rate of consumption for the 1954-55 season is expected to decline by about 5 percent because of the partial loss of the French Indochina market. (For additional information see The Cotton Marketing Situation in France by Francis H. Whitaker, Foreign Agriculture Circular FC 27-54, Aug. 23, 1954, published by the Foreign Agricultural Service.)

U. K. TOBACCO IMPORTS FIRST HALF, 1954

The United Kingdom imported 81.8 million pounds of unmanufactured tobacco in the first half of 1954. This was 31 percent below the 117.9 million pounds imported in the first half of 1953. Imports of flue-cured tobacco were lower--67.3 million pounds in the first half of this year compared with 106.7 million pounds in the corresponding period last year. Imports of other types of unmanufactured tobacco increased from 11.2 million pounds in the first half of 1953 to 14.5 million pounds in the first half of this year.

The United Kingdom continues to process most of the tobacco products used within the country. In the first half of 1954, tobacco manufactures imported were only 211,000 pounds out of total imports of unmanufactured tobacco and products of 81.8 million pounds. Cigars made up nearly half, by weight, of the tobacco products imported.

UNITED KINGDOM: Imports of tobacco and tobacco manufactures 1/
January-June 1953 and 1954

Country of Origin	January-June 1953	Percent of Total	January-June 1954	Percent of Total
	1,000 pounds	Percent	1,000 pounds	Percent
Southern Rhodesia	12,301	10.4	10,780	13.1
Nyasaland	567	0.5	2,990	3.6
India	13,450	11.4	16,074	19.6
Canada	10,494	8.9	18,760	22.9
Netherlands	4,934	4.2	4,520	5.5
Greece	632	0.5	846	1.0
Turkey	764	0.6	541	0.7
United States <u>2/</u>	72,990	61.8	25,096	30.6
All others	2,032	1.7	2,441	3.0
Total	118,164	100.0	82,048	100.0

1/ Includes a small amount of manufactured tobacco -- 249,000 pounds in the first half of 1953 and 211,000 in the first half of 1954.

2/ Most of the imports from the United States are flue-cured tobacco.

The large drop in imports of unmanufactured United States tobacco from 73.0 million pounds in the first half of 1953 to 25.1 million pounds in the first half of 1954, was a result of delayed shipments from the 1952 crop. A considerable quantity of tobacco from the 1952 crop was held under an option purchase agreement and was not shipped until the spring of 1953.

VENEZUELAN TOBACCO MANUFACTURERS AND
PRODUCERS REACH AN AGREEMENT

The American Embassy at Caracas reports that one of the large cigarette manufacturers in Venezuela has reached an agreement with the Growers Association. The Company is trying to withdraw from the financing of tobacco production by its contract growers. However, it will advance fertilizer, insecticides, seed, wrappings and ties. The Company also agrees to purchase the entire crop at a set price. These contracts are to enable the growers to obtain bank credit. There will be a small increase in price partially to pay the added cost of credit. One very important problem has been solved by the agreement, namely, the establishment of standard grades, permitting disputes to be settled to the satisfaction of both the Company and the growers.

DAIRY PRODUCTS OUTPUT EXCEEDS PER CAPITA CONSUMPTION 1/

Per capita consumption of milk and dairy products in the 15 primary milk producing countries did not keep pace with the increase in milk production between 1952 and 1953. In 1953 the weighted milk equivalent consumption of dairy products in the 15 countries, Belgium, Denmark, France, Western Germany, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Australia, New Zealand, Canada and the United States was 704 pounds per person, an increase of 10 pounds over 1952. Production per capita, however, had increased 35 pounds to an 808-pound-per person average for all countries.

Both production and consumption are under prewar levels. Production per capita during the prewar was 832 pounds in the 15 countries while per capita consumption was a weighted 768 pounds on a milk equivalent basis. Thus, 1953 production is 24-pounds-per person under prewar, but consumption is 64 pounds under the rate before the war.

The increase in per capita consumption on a milk equivalent basis between 1952 and 1953 was due primarily to the one-half pound per person increase in butter; fluid milk consumption rose to an over-all per capita figure of 303 pounds from a 1952 level of 300 pounds. Consumption of other products showed no change.

Ireland has taken over from New Zealand, the prewar leader, as the leading per capita consumer of milk and dairy products, consuming 1,382 pounds of milk per person per year. The United States ranks 13th with a per capita figure of 682 pounds of milk consumed.

The drop in butter consumption since prewar, due in part to the competition from oleomargarine, is responsible for a large part of the loss in milk consumption. Since the prewar period nine countries registered declines in butter consumption while only 6 produced gains.

New Zealand leads the 15 countries in the consumption of butter with a 44-pounds-per person per year; Ireland follows closely with 40.1-pounds-per person. The United States is 13th in butter consumption with only 8.6 pounds being consumed annually per person.

Sweden is the leader in the consumption of fluid milk at 513 pounds per person; the United States is mid-way in the rank, number 8, with an average consumption figure of 350 pounds of fluid milk per year per person.

Since the war the consumption of cheese in the 15 countries has risen a weighted 1.5-pounds-per person per year. Furthermore, gains in consumption of cheese have been made by all except two countries in that time; Switzerland has shown no gain from prewar while the consumption in the Netherlands dropped .6 of a pound during the period.

1/ A more extensive statement will soon be published as a Foreign Agricultural Circular published by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

MILK AND DAIRY PRODUCTS: Per Capita Production and Consumption in Specified Countries
Prewar Average, Annual 1951-53

COUNTRY	<u>1/</u> PREWAR Pounds	1951 Pounds	1952 Pounds	<u>2/</u> 1953 Pounds
<u>BELGIUM</u>				
Milk Production Per Capita	808	844	846	886
Milk Consumption Per Capita <u>3/</u>	777	<u>4/</u> 943	<u>4/</u> 976	<u>4/</u> 941
Per Capita Product Consumption				
Fluid	173	193	194	176
Butter	20.6	24.7	26.0	25.2
Cheese	8.2	9.8	9.6	9.6
Canned Milk	1.1	6.0	6.0	7.0
Dried Milk	1.7	1.0	3.6	3.8
<u>DENMARK</u>				
Milk Production Per Capita	3,158	2,681	2,542	2,721
Milk Consumption Per Capita <u>3/</u>	897	<u>5/</u> 832	925	<u>4/5/</u> 861
Per Capita Product Consumption				
Fluid	369	392	370	369
Butter	19.5	15.8	20.5	18.8
Cheese	13.8	14.9	16.4	14.0
Canned Milk	0.8	<u>6/</u>	3.7	<u>6/</u>
Dried Milk	0.3	0.9	0.9	<u>6/</u>
<u>FRANCE</u> <u>7/</u>				
Milk Production Per Capita	801	861	800	902
Milk Consumption Per Capita <u>3/</u>	<u>5/</u> 627	<u>5/</u> 680	<u>5/</u> 624	<u>4/5/</u> 703
Per Capita Product Consumption				
Fluid	193	218	197	228
Butter	12.7	14.4	12.9	15.1
Cheese	14.3	14.2	14.2	14.5
Canned Milk	0.5	2.5	3.9	<u>6/</u>
Dried Milk	0.2	0.8	0.9	<u>6/</u>
<u>GERMANY, WESTERN</u> <u>8/</u>				
Milk Production Per Capita	854	696	719	752
Milk Consumption Per Capita <u>3/</u>	<u>4/5/9/10/</u> 832	<u>9/</u> 664	<u>9/</u> 699	<u>9/</u> 703
Per Capita Product Consumption				
Fluid	<u>9/10/</u> 266	242	253	265
Butter	<u>9/10/</u> 19.0	13.9	14.8	13.9
Cheese	<u>9/10/</u> 7.7	8.6	8.8	9.7
Canned Milk	<u>6/</u>	<u>9/</u> 5.4	<u>9/</u> 5.7	<u>9/</u> 7.2
Dried Milk	<u>6/</u>	<u>9/</u> 1.3	<u>9/</u> 1.9	<u>9/</u> 1.7

MILK AND DAIRY PRODUCTS: Per Capita Production and Consumption in Specified Countries
Prewar Average, Annual 1951-53

COUNTRY	^{1/} PREWAR	1951	1952	^{2/} 1953
	Pounds	Pounds	Pounds	Pounds
<u>IRELAND</u>				
Milk Production Per Capita	1,755	1,690	1,672	1,733
Milk Consumption Per Capita 3/	4/5/	4/5/	4/5/	4/5/
	1,152	1,387	1,376	1,382
Per Capita Product Consumption				
Fluid	324	366	364	368
Butter	33.4	40.6	40.4	40.1
Cheese	0.7	1.4	1.0	2.0
Canned Milk	1.0	0.3	6/	6/
Dried Milk	0.3	1.4	6/	6/
<u>ITALY</u>				
Milk Production Per Capita 11/	332	370	380	383
Milk Consumption Per Capita 3/	4/5/225	4/5/ 292	4/5/ 294	4/5/303
Per Capita Product Consumption				
Fluid	80	106	115	114
Butter	2.6	3.8	3.1	3.2
Cheese	11.3	13.0	14.4	15.6
Canned Milk	6/	9/ 0.4	0.3	0.4
Dried	6/	0.5	0.5	0.5
<u>NETHERLANDS</u>				
Milk Production Per Capita	1,315	1,217	1,190	1,230
Milk Consumption Per Capita 3/	809	648	579	580
Per Capita Product Consumption				
Fluid	272	359	294	278
Butter	15.2	6.0	5.6	6.0
Cheese	16.0	14.8	14.4	15.4
Canned Milk	1.1	0.7	5.8	2.6
Dried Milk	2.2	3.4	3.1	5.8
<u>NORWAY</u>				
Milk Production Per Capita	1,019	1,059	1,032	1,062
Milk Consumption Per Capita 3/	4/5/924	4/5/ 936	4/5/ 889	4/5/ 859
Per Capita Product Consumption				
Fluid	387	531	477	486
Butter	15.2	10.0	9.3	8.9
Cheese	16.9	18.5	21.0	17.9
Canned Milk	6/	6/	6/	6/
Dried Milk	6/	6/	6/	6/

MILK AND DAIRY PRODUCTS: Per Capita Production and Consumption in Specified Countries
Prewar Average, Annual 1951-53

COUNTRY	<u>1/</u> PREWAR Pounds	1951 Pounds	1952 Pounds	<u>2/</u> 1953 Pounds
<u>SWEDEN</u>				
Milk Production Per Capita	: 1,625	: 1,489	: 1,412	: 1,408
Milk Consumption Per Capita	3/ : 5/1,256	: 5/ 1,221	: 5/ 1,234	: 5/ 1,234
Per Capita Product Consumption				
Fluid	: 521	: 516	: 510	: 513
Butter	: 22.1	: 25.9	: 26.1	: 26.6
Cheese	: 14.1	: 16.3	: 17.7	: 16.2
Canned Milk	: 2.4	: 0.6	: 0.4	: 0.3
Dried Milk	: 0.4	: 1.3	: 1.8	: 2.2
<u>SWITZERLAND</u> 12/				
Milk Production Per Capita	: 1,438	: 1,246	: 1,233	: 1,240
Milk Consumption Per Capita	3/ : 1,025	: 4/5/ 985	: 4/5/ 975	: 4/5/ 951
Per Capita Product Consumption				
Fluid	: 511	: 506	: 490	: 478
Butter	: 14.3	: 13.3	: 13.5	: 13.1
Cheese	: 17.6	: 17.7	: 17.9	: 17.6
Canned Milk	: 0.2	: 4.0	: 3.7	: 4.5
Dried Milk	: 1.0	: 6/	: 6/	: 6/
<u>UNITED KINGDOM</u>				
Milk Production Per Capita	: 389	: 440	: 445	: 470
Milk Consumption Per Capita	3/ : 970	: 815	: 743	: 794
Per Capita Product Consumption				
Fluid	: 234	: 351	: 346	: 344
Butter	: 24.8	: 14.3	: 12.2	: 13.5
Cheese	: 8.8	: 10.6	: 8.5	: 10.4
Canned Milk	: 11.4	: 4.3	: 6.1	: 7.2
Dried Milk	: 1.4	: 2.5	: 3.0	: 4.6
<u>AUSTRALIA</u>				
Milk Production Per Capita	3/ : 10/1,707	: 1,347	: 1,370	: 1,387
Milk Consumption Per Capita	: 10/ 976	: 1,052	: 1,042	: 1,056
Per Capita Product Consumption	: 10/			
Fluid	: 10/ 234	: 311	: 307	: 306
Butter	: 10/ 31.4	: 30.0	: 30.0	: 30.9
Cheese	: 10/ 3.9	: 6.4	: 5.5	: 5.9
Canned Milk	: 10/ 3.9	: 7.0	: 10.1	: 7.4
Dried Milk	: 10/ 2.0	: 3.3	: 2.8	: 3.0

MILK AND DAIRY PRODUCTS: Per Capita Production and Consumption in Specified Countries
Prewar Average, 1951-53

COUNTRY	<u>1/</u> PREWAR	1951	1952	<u>2/</u> 1953
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
<u>NEW ZEALAND</u>				
Milk Production Per Capita	6,360	5,651	5,568	5,737
Milk Consumption Per Capita <u>3/</u>	1,293	<u>4/</u> 1,286	<u>4/</u> 1,309	<u>4/</u> 1,349
Per Capita Product Consumption				
Fluid	<u>10/13/</u> 423	<u>13/</u> 524	<u>13/</u> 483	<u>13/</u> 482
Butter	<u>10/</u> 40.6:	39.2:	42.7:	44.0
Cheese	<u>10/</u> 5.0:	5.9:	5.7:	5.9
Canned Milk	<u>10/</u> 3.1: <u>9/</u>	1.5: <u>9/</u>	2.5: <u>9/</u>	9.8
Dried Milk	<u>10/</u> 0.6: <u>6/</u>	<u>6/</u>	<u>6/</u>	
<u>CANADA</u>				
Milk Production Per Capita	1,377	1,172	1,090	1,111
Milk Consumption Per Capita <u>3/</u>	1,223	1,073	1,007	1,008
Per Capita Product Consumption				
Fluid	<u>13/</u> 426	<u>13/</u> 419	<u>13/</u> 402	<u>13/</u> 406
Butter	31.0:	22.6:	20.9:	20.8
Cheese	3.8:	5.7:	5.3:	5.3
Canned Milk	7.1:	19.7:	20.7:	20.4
Dried Milk	1.8:	6.4:	4.8:	6.0
<u>UNITED STATES</u>				
Milk Production Per Capita	803	744	734	759
Milk Consumption Per Capita <u>3/</u>	791	707	694	682
Per Capita Product Consumption				
Fluid	330	352	352	350
Butter	16.9:	9.5:	8.6:	8.6
Cheese	5.3:	7.1:	7.5:	7.1
Canned Milk	18.5:	18.0:	17.4:	17.1
Dried Milk	1.9:	4.5:	5.0:	4.3

1/ Prewar Averages are for the years 1933-34 - 1937-38 For Denmark, Norway, Sweden and Switzerland, 1935-38 For Western Germany, 1935-39 For Canada and the United States, and 1934-38 For others. 2/ Preliminary 3/ Per Capita consumption of fluid milk and Dairy Products in Terms of milk equivalents. 4/ Does not include dried whole milk. 5/ Does not include canned whole milk. 6/ Not available. 7/ Prewar estimates exclude the SAAR; for other years, include the SAAR. 8/ Prewar estimates exclude the SAAR and Western Sectors of Berlin; for other years estimates exclude the SAAR, but include Western Sectors of Berlin. 9/ Estimated. 10/ Years ending June 30. 11/ Includes the milk of cows, sheep and goats. 12/ Includes the milk of cows, and goats. 13/ Includes milk for Ice Cream.

Norway is the first ranking cheese consuming nation at 17.9-pounds-per person, closely followed by Switzerland at 17.6 pounds. Ireland, the top consumer in all products, ranks last with a cheese consumption average of only 2.0 pounds. The United States is ranked 11 with a consumption average of 7.1-pounds-per person.

Only two of the countries are currently net importers of milk, the United Kingdom and Belgium.

BRITON REPORTS U.S.S.R. EMPHASIZING MILK PRODUCTION

The Soviet Union is currently emphasizing milk production as part of its food program. This is the view of Lord Verulam, British industrialist and dairy farmer who has recently returned from a trade mission visit to Soviet Russia. Furthermore, Lord Verulam, as quoted in the Milk Producer, believes that Anastas Mikoyan, Minister for Internal Trade, is concentrating on the production and distribution of ice cream. State-owned ice cream shops have sprung up all over Moscow and even in the winter, street vendors, usually in the person of older women, are selling ice cream cones at 25 cents a cone. Even at that price people line up to buy cones although it is sometimes so cold that a purchaser will have to go into a building or subway station in order to eat it.

In all Russian cities there are posters urging greater consumption of ice cream. These advertisements are Government-sponsored.

Bottled milk is being sold in the State Food Shops, Lord Verulam said. In the bigger stores it is retailed from refrigerated counters. There is no house-to-house delivery in the Soviet Union as delivery service is apparently a part of the decadent capitalistic system. Milk is sold in cans on the outskirts of Moscow, apparently, however, as a private venture. There seems to be a shortage of other dairy produce such as butter and in certain parts of the country there is a real shortage of all dairy products.

One member of the British trade mission secured an order for milk-processing equipment from the Russians and his firm announced it was the biggest overseas order for dairy machinery ever placed in England.

CUBAN IMPORT REGULATIONS FOR EGGS IN THE SHELL

The Cuban Government has announced that eggs in the shell to be exempt from Consular and other duties must weigh at least 18 ounces per dozen. The original publication of Decree No. 1825 (Foreign Crops and Markets, July 26, 1954) did not mention this limitation.

WORLD STOCKS OF APPAREL WOOL ON JULY 1, 1954
ONLY SLIGHTLY LARGER THAN A YEAR EARLIER 1/

World stocks of apparel wool on July 1, 1954 totaled 1,125 million pounds, clean basis, according to information available to the Foreign Agricultural Service. This represents a relatively small change in world stocks from the level of a year earlier.

World stocks of wool on July 1, 1954 were equivalent to about 30 weeks supply based on the annual rate of consumption for the preceding 12-month period. During the 1953-54 season as a whole world production and consumption were near an in-balance position. It is most probable that production and consumption will remain in close agreement during the current wool year. Some year-to-year dislocations may continue to occur in the marketing of the world's wool clip, but the immediate outlook is that large accumulations are not likely.

At the end of World War II, world stocks of wool were the largest on record. Apparel wool stocks on July 1, 1946 totaled about 2.7 million pounds, clean basis. This was about 3 times the 1934-39 average and represented about 85 weeks supply at the prewar rate of consumption.

A large portion of these surplus stocks consisted of Joint Organization stocks in the United Kingdom and Dominions and the Commodity Credit Corporation stocks in the United States. As a result of the high rate of world consumption in excess of production during the 1946-50 period virtually all of the wartime accumulations were moved into consumption channels by mid-1950. All of the Commodity Credit Corporation holdings were disposed of by mid-1950, while Joint Organization stocks totaled only 84 million pounds on July 1, 1950.

By mid-1951 the high point of the Korean boom had past, but as a result of the record level of consumption during 1950 stocks were relatively low. During the 1951-52 season world consumption declined slightly below current production. The small excess in supplies were not taken up by the trade, and the pessimistic outlook resulted in a build-up of stocks in producing countries as dealers and manufacturers in importing countries began using trade stocks and reducing inventories. Large accumulations from the 1951-52 clip occurred in Argentina and Uruguay, while the only significant build-up in Dominion supplies occurred in New Zealand.

In the spring of 1952 the British Government began stockpiling wool as strategic reserves primarily to offset the low level of trade stocks. These strategic reserves totaled about 30 million pounds on July 1, 1952 and the current total of 94 million was obtained by the British Government prior to July 1, 1953. In the United States the CCC acquired about 45 million pounds of the 1952 clip under the price support program. The CCC holdings totaled about 60 million pounds on July 1, 1954.

1/ A more detailed statement will soon be published as a Foreign Agriculture Circular by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

WOOL STOCKS: World stocks of apparel wool, clean basis, July 1, 1954 with comparisons

Continent and Country	July 1, 1950	July 1, 1951	July 1, 1952	July 1, 1953	July 1, 1954
	Million Pounds	Million Pounds	Million Pounds	Million Pounds	Million Pounds
NORTH AMERICA					
Canada.....	25	27	28	25	25
United States.....	175	<u>1</u> / 174	131	<u>2</u> / 135	<u>3</u> / 155
EUROPE					
Belgium.....	33	34	17	7	8
France.....	75	75	75	75	90
Germany.....	40	50	50	35	35
Italy.....	75	50	50	60	55
Netherlands.....	15	16	18	20	20
United Kingdom.....	260	165	<u>4</u> / 180	<u>5</u> / 275	<u>5</u> / 250
ASIA					
Japan.....	15	15	25	25	40
SOUTH AMERICA					
Argentina <u>6</u> /.....	40	65	160	20	<u>7</u> / 30
Uruguay <u>6</u> /.....	5	10	65	15	<u>7</u> / 20
AFRICA					
Union of So. Africa.....	2	6	3	4	2
OCEANIA					
Australia.....	19	8	12	13	14
New Zealand.....	13	13	80	16	<u>8</u> /
Others and Afloat....	<u>9</u> / 443	<u>10</u> / 372	261	390	381
Total.....	1,235	1,080	1,155	1,115	1,125

1/ Includes 7 million pounds strategic reserves held by C.C.C. for the Department of Defense. 2/ Includes 45 million pounds of C.C.C. stocks. 3/ Includes 60 million pounds of C.C.C. holdings. 4/ Includes strategic reserves of about 30 million pounds. 5/ Includes 94 million pounds of strategic reserves. 6/ For October 1. 7/ Based on estimated supplies, probable domestic requirements, and exports through the first 10 months of the 1953-54 season with an allowance for shipments during August and September. 8/ Negligible. 9/ Includes 84 million pounds of Joint Organization stocks. 10/ Includes 4 million pounds of Joint Organization stocks.

World consumption increased sharply in late 1952. As a result of this increased consumption and a favorable level of prices, the bulk of the accumulations from the 1951-52 clip in South America and New Zealand were moved into trade channels. World consumption continued to increase during the first 6 months of 1953 and wool stocks by mid-1953 were reduced near the low level of 1951.

During the third and fourth quarters of 1953 world consumption of wool declined sharply from the high level of the previous 6 months. A further slight decline occurred during the first quarter of 1954, but indications are that the rate of consumption increased slightly in the second quarter. If the annual rate of consumption during the 1954-55 season is equal to the level of the previous 12 months only an estimated 35 million pounds would be added to the world stocks of apparel wool during the 1954-55 wool year.--By Q. M. Morgan.

ARGENTINE WOOL EXPORTS DECLINE IN JULY FROM HIGH LEVEL OF JUNE

The Argentine wool export market was relatively quiet during July mainly reflecting vacation lag in United States mill activity. Prices reflected the lack of orders and for both clips and blends were off two cents a pound under the June level. However, prices for fleeces held firm following announcement that the exchange rate of 6.25 pesos to the dollar will apply to wool purchased by Japan (Argentina had previously insisted that the rate be 5 pesos to the dollar).

Argentine wool exports are unofficially estimated to have been about 18 million pounds during July compared to 27 million in June. On June 1 an estimated 162 million pounds, greasy basis, of unsold Argentine wool were on hand of which an estimated 123 million were available for export. This means that on August 1 about 78 million pounds were available for export.

The Soviet Union has not yet placed any wool orders under its trade agreement with Argentina. However, shipment of \$6 million worth of fine and medium crossbred wools bought by Japan have commenced following agreement by the Argentine government to the exchange sale of 6.25 pesos to the dollar.

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C O R R E C T I O N:--- In article on Uruguayan wool exports in Foreign Crops and Markets of August 30, 1954, Page 231, the last sentence of the first paragraph should have read: "Superfine crossbreds on the basis of 1.60 pesos to the dollar sold for 69 cents (greasy basis) per pound", etc.

MEXICO TO PROMOTE ITS OWN EGG PRODUCTION

Mexico, the United States largest market for eggs in the shell, with imports from the United States of 18 million dozen in 1953 and 7 million dozen the first 6 months of 1954, hopes to increase its domestic production of eggs. It has been announced that The Mexican Bank of Foreign Commerce will grant credit to the poultry industry to increase egg production. Annual value of egg imports is about \$5.4 million and Mexico hopes, by increasing its domestic egg production, to reduce substantially this foreign exchange expenditure.

U. K. DAIRY CATTLE PRICES UP OVER LAST YEAR

Average prices during the second week in August in 42 representative cattle markets in England and Wales revealed that dairy cattle prices were up as much as \$14 and more over the same period a year ago. Attested Friesians in milk were bringing \$259.00 as against \$244.09 a year ago. Shorthorn cows in milk were averaging \$232.71 this year compared to \$219.66 during August 1953. Ayrshires in milk averaged \$218.75, about \$6.50 more than last year's price.

The difference in non-attested cattle prices was not so pronounced. Non-attested Shorthorns in milk were bringing only \$180.95 this year which is about \$1.80 under last year's average price in August. Non-attested Shorthorn cows in calf were bringing \$171.41 compared to an average price in August of 1953 of \$168.14.

Male calves for rearing were selling at \$36.75, \$5.00 above the average selling price a year ago; female calves for rearing had an average selling quotation of \$32.97 compared to \$26.74 in 1953.

NEW ZEALAND APPROACHES NEW EXPORT MARKETING PROBLEMS

With the termination of the long-term bulk dairy contract with the United Kingdom (see Foreign Crops and Markets for July 5 and July 19) the New Zealand Dairy Products Marketing Commission is in the process of feeling out the market for the new season's production of dairy products.

The Commission, which controls exports of dairy products, intends to remain in the English market and to that end has purchased Empire Dairies Ltd. in the United Kingdom. Empire Dairies will handle a considerable amount of New Zealand's dairy shipments to England on a wholesale to retail level; the rest of the imports will be turned over to independent dealers by Empire Dairies. Shipments to the United Kingdom will be on a consignment basis, with prices depending on what can be secured in the market.

For sales outside the United Kingdom market the Commission is presently experimentally quoting prices at approximately the contract prices to the United Kingdom last year; the contract price of butter was 40.8 cents and cheese 22.8 cents per pound.

The relative indefiniteness of the butter and cheese quotations is also apparent for processed milk products. Milk powder will be marketed in the United Kingdom on a consignment basis through Milk Products, Ltd., a New Zealand company formed by the Commission, and the New Zealand Cooperative Dairy Company. It is expected that production of milk powder in New Zealand will be cut back about 25 percent during the coming year.

SMALLER BREADGRAIN CROP INDICATED FOR NORTHERN HEMISPHERE

Breadgrain prospects for the 1954 harvest in the Northern Hemisphere point to a reduction from the high level of a year ago, on the basis of information available to the Foreign Agricultural Service. Present estimates show a considerable reduction from the high 1953 level in North America and a moderate reduction is also indicated for Europe, especially for Eastern Europe, on the basis of incomplete information. The outlook is for some increase in Africa and Asia. It is too early for any reliable indication of prospects in the Southern Hemisphere, where seeding has just been completed.

Preliminary estimates for the principal producing countries of North America indicate that breadgrain production in that area may be down more than 15 percent from the near-record total for 1953. The August estimate placed wheat production in the United States at 978 million bushels. A crop that size is 16 percent below the 1953 harvest and 13 percent below the average of the previous 10 years. The reduction is due to reduced acreage, with the area for harvest about 20 percent below the area harvested in 1953. Average yields are estimated to be slightly higher than yields last year.

Canada's preliminary forecast places that country's wheat crop at 513 million bushels, 100 million less than in 1953. Realization of the current forecast, which was based on conditions as of August 1, however, is dependent on favorable conditions throughout the remainder of the season. A current report from the Dominion Bureau of Statistics notes that conditions during the first half of August were unfavorable. Wet weather favored development of rust, which becomes an ever more serious threat. Leaf rust is described as the heaviest on record. Stem rust also continued to develop, at latest report. Since the harvest will be generally somewhat later than usual, frost damage is also a serious potential threat. Smaller yields and reduced acreage account for the smaller prospective crop for this season. A record wheat harvest of about 30 million bushels is reported for Mexico, the only other major North American producer.

The outlook for the crop in Western Europe, including Yugoslavia, is slightly less favorable than at this time last year. Indicated reductions in a number of countries, especially Italy, Yugoslavia, Germany, and Greece, are largely offset, however, by increases in a number of areas, notably the Iberian Peninsula, where Spain's prospective outturn of about 180 million bushels is 44 percent above the small 1953 harvest there. Moderate increases over the 1953 level are noted for France, the Netherlands, the United Kingdom, Ireland, Portugal and some smaller producers.

The current outlook for Spain is the best since 1934. If the harvest is as large as is now believed, import needs would be considerably less than usual this season, though it is expected that most of the country's quota of 9.2 million bushels under the International Wheat Agreement will be taken.

The crop of 334 million bushels estimated for France is the largest wheat production there since 1938 and yields are reported the second largest recorded, having been exceeded only by the record yields last year. The near-record yields together with a substantial increase over the 1953 acreage account for the large crop. A recent official estimate places Italy's wheat crop at about 285 million bushels, compared with 332 million last year. A combination of adverse factors contributed to the reduced crop. Lack of moisture in some areas at seeding time, an unusually cold winter in northern areas, and the very rainy spring are mentioned as factors reducing the outturn. Rust damage is reported greater than normal because of the dampness.

The wheat outlook in the United Kingdom was good in mid-August and the crop was expected to exceed the large 1953 harvest, because of a 10 percent increase in acreage and good yield prospects. Since the crop was 2 to 3 weeks behind normal development, however, the final outturn was more than usually dependent on favorable weather during August and September. Recent reports call attention to very unfavorable weather, with torrential rains holding up harvesting. Warm sunny weather was needed to make possible resumption of harvest operations.

The outlook for wheat in Western Germany is less favorable than during the past 3 years when wheat harvests were somewhat above average. Acreage is slightly less than the area of the past 2 years but is near the prewar (1935-39) level. Yield prospects are well below those of the past 3 seasons, though they are estimated above the prewar average. The important rye crop in Western Germany is expected to be somewhat larger than in 1953, because of increased acreage and slightly larger yields. Conditions in Yugoslavia have been generally unfavorable throughout the current crop season, and outturns are expected to be substantially less than in 1953. Prolonged drought delayed seeding and germination of fall-sown grain. Poor stooling with attendant low yields was also attributed to the drought. Spring and summer floods also caused considerable crop damage, according to reports, and the wheat crop is expected to be well below the good 1953 harvest.

Conditions appear similar in other Balkan countries, and the 1954 wheat crop in Eastern Europe is expected to be somewhat less than in 1953. A long, severe winter in Rumania was followed by a late, cool spring, which delayed spring plowing. Flooding was also reported causing damage as were excessive rain and hail storms. Fall seeding in Hungary was reported hampered because of labor shortages. Winter damage was reported heavy and some losses from flooding were also sustained. Despite some increase reported for acreage, a smaller breadgrain production than in 1953 seems indicated.

Acreage under spring grains in the Soviet Union is reported to be 15.9 million acres above the comparatively high 1953 level, despite a late spring. Of that total, spring wheat alone reportedly increased by 8.9 million acres, mostly on the uncultivated land of the semi-arid eastern regions of the Soviet Union beyond the Volga and the Urals.

These increases, however, may have been partially offset by some reductions in the winter grain acreage (wheat and rye), resulting from unfavorable weather conditions in the fall of 1953 and the winter and spring of 1954. Nevertheless, it appears that the Russian wheat acreage, which in 1953 was reported at the record figure of 119 million acres, almost 20 million above the 1940 area, increased still further as a result of the new Soviet program of grain expansion in the eastern regions.

Crop conditions in the Soviet Union have been spotty. In some regions, particularly the east, good growing weather has offset the disadvantages of the late spring and delayed seeding, and above-average yields may be expected. But over a large and normally highly productive area of southern U.S.S.R. grain crops, and especially spring grains, were adversely affected by dryness, which may reduce the outturn. Abnormally high temperatures in a number of regions, which speeded up the maturity of crops, and the increased acreage in the eastern regions have complicated harvest operations, in addition to the usual harvest difficulties reported every year.

Reports regarding breadgrain crops in Asia are generally favorable, and larger crops than in 1953 are reported for all important producing countries of the area except Turkey and Iran. In both India and Pakistan the wheat crop is larger than the crop last year. The increase is especially marked in Pakistan, with a crop of 136 million bushels compared with the 1953 estimate of 91 million bushels. In India the 1954 crop, harvested largely in April-May of this year, is estimated at 269 million bushels compared with 252 million in 1953. Japan's wheat crop is placed at 55.5 million bushels, 5 million above the 1953 harvest. The wheat crop in China is also larger than the 1953 production, based on preliminary and incomplete information. The increase is attributed to sharply increased wheat acreage.

The wheat crop in Turkey may be about 220 million bushels, compared with the record harvest of 294 million bushels last year. Drought sharply reduced yields, which accounts for the reduction. Preliminary estimates indicate no significant change in the total acreage. The proportion of spring wheat, however, appears to be somewhat higher than usual. Wheat in Iran is also estimated to be below the record 1953 crop.

Wheat production in Africa will exceed the all-time record total of 190 million produced last season, on the basis of preliminary reports. Production in Algeria was 44.8 million bushels, compared with 40.4 million a year ago. Imports of about 11 million bushels of soft wheat will be required during the current season, according to present estimates. Hard wheat supplies are adequate for domestic needs. Egypt's crop, as now officially estimated at 60 million bushels, would be an all-time record for that country and will make reduced imports possibly again this season. Production in French Morocco is reported at 36.7 million, only slightly less than the large crop in 1953. Substantial exports of wheat are expected to be moved out of the country as soon as possible to relieve congested storage space. Production in Tunisia is placed at about 24 million bushels. This would be a near-record crop and provide a surplus of about 9 million bushels, mostly durum, for export.

Conditions in Argentina and Australia, the principal producers of the Southern Hemisphere, are generally favorable. Moisture conditions are good in Argentina, following widespread rains, which caused some flooding in northern districts. Total areas of wheat and rye are expected to be slightly larger than those of a year ago. In Australia wheat acreage for harvest is expected to be less than the 10.7 million acres harvested last year.

MOROCCAN ALMOND OUTLOOK, 1954

The latest trade sources estimate the 1954 commercial production of almonds in the French zone of Morocco at 3,300 short tons, shelled basis, as compared with the 1953 estimated commercial production of 3,500 short tons. The slight decline over earlier 1954 estimates of 4,000 short tons is attributed to damage of the mountain crop by unfavorable May weather.

The demand is reported as very good from all importing countries except the United States. However, there evidently is a shortage for local consumption. The first supplies of the new crop were reportedly snapped up by local food markets. Consequently, trade sources state that export supplies will not be available until September.

The following table shows the latest information received on prices, f.o.b. Moroccan ports, for export to the various importing countries.

	ALMONDS	
	Shelled	
	Sweet	Bitter
Germany, per 100 kilos, gross net	\$ 90	\$ 60
United Kingdom, per cwt., net		
shilling.....	350	225
France, per kilo, gross net,		
francs.....	315	205
United States, per 100 kilos,		
net.....	80	58

ISRAELI CITRUS OUTLOOK

Latest trade sources indicate that Israel exports of Shamouti oranges for 1954-55 will be considerably less than the 5,407,000 boxes exported during 1953-54. However, the lemon export is expected to increase from 104,000 boxes in 1953-54 to 200,000 boxes in the 1954-55 season, and the export of Washington Navels and blood oranges is estimated to increase from 2,500 boxes to 22,000 boxes in 1954-55.

In establishing its export program for the new citrus crop, the Israeli Citrus Marketing Board plans to send several sales delegations abroad; one to Western and Northern Europe; one to Central and Eastern Europe; and one to Canada. It is also possible that another small delegation may be sent to the Far East. Of these attempts to improve foreign sales and exports, the most energetic will be in Canada. Also, the markets which receive fewer Shamouti oranges will receive additional shipments of other varieties, particularly lemons. The Board expects that the export of lemons may double that of last year. Varieties shipped on a trial basis last year, such as clementines, blood and navel oranges, will be expanded this year.

A new office for handling exports to Belgium, Germany, and the Netherlands, is expected to be established this year in addition to the sales office of the Board in London. This office will probably be located in Rotterdam.

Trade sources indicate that Israeli citrus prices will remain reasonably competitive this year, even though production, harvest, and transportation costs have increased.

Another measure taken by the Board is the expansion of central packing houses in order to have a greater proportion of the citrus crop so packed. Last year only 40 percent of the crop was packed by this method. However, these central packing houses will not be completed for this season.

Export potential of Israeli Citrus Crop in 1954-55
and actual shipments in 1953-54

Type	Exports 1953-1954	Estimated exports 1954-1955 ^{1/}
	1,000	1,000
	<u>boxes</u>	<u>boxes</u>
Shamouti.....	5,407	3,800
Valencia.....	3,869	2/
Washington Navels & blood oranges.....	2	22
Clementines.....	15	35
Lemons.....	104	200
^{1/} Trade estimates. ^{2/} Not available.		

INCREASED COTTON CROP
EXPECTED IN SYRIA

Prospects for the 1954-55 cotton crop in Syria are very favorable and estimates of production range upward from 250,000 bales (500 pounds gross), as compared with 1953-54 production of 220,000 bales, according to W. B. Lockling, First Secretary of the American Embassy, Damascus.

Most of Syria's cotton is exported. Approximately 184,000 bales were exported in 1953-54, and it is anticipated that 1954-55 exports may reach 207,000 bales. Principal destinations of Syria's cotton exports in recent years have been France, United Kingdom, Italy, and Western Germany.

RECORD JULY 1 GRAIN STOCKS REPORTED

Record grain stocks were held in the world's 4 principal grain exporting countries on July 1, 1954, according to estimates of the Foreign Agricultural Service. The preliminary estimate of 112.7 million short tons for the 5 major grains is 23 percent above the previous high of 91.6 million tons on July 1, 1953. The current stocks are more than double the 1945-49 average.

The increase of 21 million tons over the large 1953 total results mainly from sharp increases in the two Northern Hemisphere exporting countries. Stocks in the United States, at 72.2 million tons, are up 14.5 million tons, compared with July 1, 1953 stocks, and this accounts for about 70 percent of the increase for the 4 countries. Canada's increase of 6.3 million tons accounts for the bulk of the remaining increase. Australia's stocks were up 1.6 million tons, bringing the total to a peak of 5.1 million tons for that country. That increase, however, was offset by a reduction in Argentina.

Large supplies available for export in the principal exporting countries far exceed any foreseeable demand from importing areas this season. The present outlook for the wheat crop in Europe suggests that overall import needs in that area may not be significantly larger than in the past season. Great differences may be expected, however, for individual countries within the area. An outstanding change is noted in Spain's position, with an increase of about 55 million bushels estimated in this year's wheat harvest. Import needs will be negligible, and no imports outside the International Wheat Agreement are expected this season.

Prospects are less favorable than those of a year ago in western Germany, Italy, and Yugoslavia, with considerably greater wheat import needs estimated. Larger harvests are forecast for France, Sweden, and some of the minor exporters of Asia. In Turkey, the principal wheat exporter of that area, however, a somewhat smaller wheat harvest provides less surplus for export.

Of the 112.7 million tons of grain estimated on hand July 1, the 72.2 million tons held by the United States was 64 percent of the total. Canada's stocks of 25.6 million tons were more than 3 times the 1945-49 average and represented 23 percent of the total. That is a considerably larger than usual proportion of the total for Canada, while Argentina's proportion is somewhat below average. The abnormally high stocks of 5 million tons in Australia are about 5 percent of the total.

GRAINS: Estimated stocks in the principal exporting countries
July 1, 1954 with comparisons

Country and year	Wheat	Rye	Barley	Oats 1/	Corn	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	1000 short tons
<u>United States</u>						
1945	279	12	95	234	754	35,842
1946	100	2	59	290	529	23,924
1947	84	2	56	274	710	28,184
1948	196	3	52	182	449	22,696
1949	307	8	101	290	1,267	51,974
Average 1945-49	193	5	73	254	742	32,524
1950	425	10	80	211	1,381	56,994
1951	396	5	94	292	1,256	54,116
1952	256	4	73	283	970	41,232
1953	562	6	51	254	1,263	57,680
1954 2/	903	14	71	234	1,403	72,214
<u>Canada</u>						
1945	314	3	44	140	3/	12,940
1946	104	1	41	108	3/	5,968
1947	124	1	40	95	3/	6,323
1948	105	1	42	71	3/	5,393
1949	135	12	40	85	3/	6,791
Average 1945-49	157	4	41	100	3/	7,483
1950	140	7	30	70	3/	6,306
1951	235	6	65	130	3/	10,988
1952	280	10	95	140	3/	13,340
1953	425	18	130	175	3/	19,349
1954 2/	620	20	160	155	3/	25,635
<u>Argentina</u>						
1945	175	8	31	57	155	11,470
1946	115	8	25	35	125	8,334
1947	125	15	40	25	230	11,970
1948	130	10	20	30	225	11,440
1949	125	16	15	50	200	10,958
Average 1945-49	134	11	26	40	187	10,834
1950	100	8	12	40	35	5,132
1951	85	15	25	35	90	6,650
1952	35	5	15	25	70	3,910
1953	160	42	35	60	115	10,996
1954 2/	140	10	10	30	160	9,680
<u>Australia</u>						
1945	50	3/	3	6	3/	1,668
1946	68	3/	6	15	3/	2,424
1947	58	3/	7	10	3/	2,068
1948	105	2/	10	25	3/	3,790
1949	95	3/	5	10	3/	3,130
Average 1945-49	75	3/	6	13	3/	2,616
1950	120	3/	7	12	3/	3,960
1951	100	3/	8	10	3/	3,352
1952	80	3/	7	10	3/	2,728
1953	95	3/	12	25	3/	3,538
1954 2/	150	3/	7	30	3/	5,148
<u>Total</u>						
1945	818	23	173	437	909	61,920
1946	387	11	131	448	654	40,650
1947	391	18	143	404	940	48,545
1948	536	14	124	308	674	43,319
1949	662	36	161	435	1,467	72,853
Average 1945-49	559	20	146	407	929	53,457
1950	785	25	129	333	1,416	72,392
1951	816	26	192	467	1,346	75,106
1952	651	19	190	458	1,040	61,210
1953	1,242	66	228	514	1,378	91,563
1954 2/	1,813	44	248	449	1,563	112,677

1/ Canadian oats reported in bushels of 34 pounds; in other countries bushels of 32 pounds. 2/ Preliminary estimates. 3/ Production small and remaining stocks believed negligible.

A distinction should be noted between grain stocks in the two Southern Hemisphere exporting countries and those of the Northern Hemisphere. In the former, these are mid-season supplies, representing grain for domestic use and for export up to the end of the current crop season, which is December 1 for small grains and April 1 for corn. In contrast, stocks in the Northern Hemisphere countries approximate the year end carry-over of small grains. In the United States, July 1 stocks of small grains represent actual carry-over into the new marketing season, while there are 3 months remaining in the corn marketing season. In Canada the new crop year begins August 1.

Grain stocks in the United States attained the record level of 72.2 million tons because of new record highs for both wheat and corn. Carry-over stocks of 903 bushels of wheat in all storage positions on July 1 were about 43 percent above the previous record in 1942. Corn stocks of 1.4 billion bushels exceed the previous high on July 1, 1950 by 22 million bushels. Carry-over of barley and oats is below average, though barley stocks are somewhat above the very low stocks of 1953.

July 1 stocks of corn at 1,403 million bushels, are 140 million bushels larger than stocks on that date of 1953. Farm stocks are only a million bushels more than those of a year ago, but the off-farm portion greatly exceeds that of 1953 largely because of the record holding of 336 million bushels of corn owned by the Commodity Credit Corporation and stored in their own bins.

Canada's total grain stocks on July 1 are tentatively estimated at the new high of 25.6 million tons principally because of the very high wheat stocks. Current stocks of 620 million bushels are 4 times the volume of the 1945-49 average. Rye stocks, at 20 million bushels, are 5 times the average. Barley stocks of 160 million bushels contrast with the average of 41 million and July 1, 1953 stocks of 130 million. Stocks of oats, at 155 million bushels, are well above average, though less than the large 1953 stocks.

No official estimates are made for Argentina's mid-season stocks, but available information points to smaller holdings than last year for small grains. Substantial reductions in the grain supply resulted in the withdrawal of all grains from the export market in late June. Supplies of corn on July 1 are estimated to be somewhat below average, though they are above the small stocks of a year ago.

Stocks of all grains in Australia on July 1 are estimated at 5.1 million tons, compared with 3.5 million a year ago and the 1945-49 average of 2.6 million. Wheat stocks are considerably larger than in 1953 and are double those of the average period. Stocks of oats are also well above average.

CHINESE OILSEED CROPS UP; EXPORTS
MAY INCREASE MODERATELY

Nearly all Chinese regional plans for 1954 call for increased production of oilseeds over 1953, according to information available to the Foreign Agricultural Service. The emphasis on increased oilseed production, greater even than that on cotton and grain, grows out of the present shortage of edible oils, which first became apparent in September 1953 (See Foreign Crops and Markets of May 31, 1954, page 519).

Edible oils are still rationed, although distribution seems to have improved somewhat since last fall. Government efforts to improve the supply by various means are reported to have had only a slight effect. One source ascribed the shortage to the fact that production had reached a level of only 80 percent of prewar, while consumption had increased as a result of the nation's economic development.

The most important edible oilseed producing areas apparently are not in the regions directly affected by recent flood disasters. While the outlook for 1954 is for production somewhat above 1953 levels, it is believed that important shares of the increase will be siphoned off for relief purposes as a result of the floods, despite pressure to export as much as possible. In view of this, it was anticipated that the quantity of edible oilseeds available for export in 1954 would be only moderately in excess of 1953.

According to official Chinese crop statements, the acreage of the rapeseed crop harvested in 1954 was estimated to be 140,000 acres larger than in 1953 and that production would be about 5 percent greater. Thus, with the 1953 output of rapeseed previously estimated at 3,030,000 short tons, the indicated production in 1954 would be some 3,180,000 tons.

Peanut acreage in 1954 was estimated at about 660,000 acres larger than last year when some 2,310,000 tons were produced, according to available data. Increased plantings were claimed in Shantung, Hopei, Kiangsu, Kwangtung and Szechuen provinces.

Soybeans, the outstanding crop in the Northeast, is reported to be in very good condition. Earlier reports said acreage was expected to be increased over 1953 by 0.7 percent, production by 12 percent and yield by 11.7 percent. Thus, the year's production-increase goal was expected to be attained by increased yields. Available information regarding China's soybean production in 1953 indicated that production in China Proper was 198,420,000 bushels and in the Northeast area 134,110,000 bushels. On the basis of a 12 percent increase, total soybean output in 1954 would be around 372,400,000 bushels.

Sesame acreage for 1954 also was estimated to be larger than in 1953, when output was believed to be around 740,000 tons.

A new regulation regarding crop collection placed edible oilseeds under exclusive government controls and all major crops are purchased in advance of harvest by signing contracts with growers.

Exports of oilseeds were at the seasonal low mark in mid-August. The general tone of the press seems to indicate that the usual quantity of exports will be kept up despite the shortage.

INDIA ALLOWS EXPORT OF PEANUT OIL IN SMALL QUANTITIES

The Government of India has authorized the export of a small quantity of peanut oil. Export allotments to established shippers will equal 15 percent of the highest shipments in any one of the 4 fiscal years ending March 31, 1952, subject to a minimum of 5 long tons and a maximum of 400 tons per shipper. The trade believes that 10,000 to 12,000 tons (11,200 to 13,440 short tons) will be permitted to be exported. The export allotments will be valid until October 31, 1954. Simultaneously, the Government imposed an export duty of 350 rupees (\$73.50) per long ton in view of the greater profit to dealers engaged in export trade.

Wholesale domestic prices of peanut oil in Bombay and Madras early in August were around 1,250 rupees per long ton (\$234 per short ton) compared with 1,800 to 1,900 rupees (\$338 to \$356) in foreign markets.

JUNE CENSUS REVEALS SHIFT IN BRITISH AGRICULTURAL PATTERN

The crop acreage in England and Wales decreased approximately 429,000 acres over a year earlier, according to the June census. The total net decrease in crop and fallow acreage was only 378,000, due to an increase of 51,000 acres of fallow. However, the tillage acreage is still about 2,750,000 million acres, or about 40 percent above the 1939 level. About half the decrease has gone into temporary grass and the other half reflects an increase in permanent grass.

Although support prices on milk are now limited to base amounts, the numbers of cows, heifers in milk and heifers in calf all increased. Also young beef stock has increased. The swine population is indicated as having increased 25 percent and is now nearly 50 percent above the average number in prewar.

Wheat acreage for 1954 harvest increased 11 percent (224,000 acres) over the previous year, with the total the highest since 1950. However, the wheat acreage has shown a definite decrease in the less favorable producing areas in Wales and in the wetter southwestern English counties. Substantial increases in acreage have occurred in the traditional and more favorable wheat areas in the eastern counties. There is no decrease in the high wheat support price for the 1954 crop, but a small decrease has previously been announced for the 1955 crop.

Decreased acreages of barley, oats and mixed grains are indicated in varying degrees in every county in England and Wales, but increases in temporary and permanent grass acreages are indicated in every county, particularly in the livestock and dairy areas.

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

Venezuela Increases Protection of its National Industry and Agriculture:

The Government of Venezuela recently granted increased protection to local agriculture and industry through the sharp increases decreed in the import duty rates on textiles, wearing apparel and artificial yarn, presumably imposed to protect the locally grown cotton from importations of artificial silk floss and the Venezuelan textile industry from excessive importations of textiles. The increased rates on wearing apparel and artificial yarns became effective August 25 and September 24 is established as the effective date for the new rate on textiles.

The milk producers of the State of Zulia and the sole powdered milk plant of Venezuela have also asked the Venezuelan Government for increased protection. They want to increase the amount of local milk powder that must be purchased as a prerequisite to duty free imports of dried milk. The current ratio is one unit of local powdered milk for each 6 units imported, but the Venezuelan milk producers want this ratio changed to one to 4. United States exports of powdered milk to Venezuela are valued at near \$20 million annually.

Developments Affecting Panama's Imports: Several recent developments in Panama influence imports into that country, some favorably, some unfavorably. A potato shortage caused the Panamanian Institute of Economic Development to call for bids for the importation of United States potatoes in the amount of 7,500 quintals (of 101.43 pounds) and the Office of Price Control fixed an import quota of 12,000 quintals for potatoes, effective until new domestic potatoes appear in October.

The Office of Price Control prohibited the imports of fresh cabbage (Resolution No. 48 of July 15) because the cultivation of cabbage in Panama has been showing an upward trend. Formerly, beginning in July, local cabbages disappeared from the market and imports were made to supply this foodstuff. Panamanian officials hope that farmers will now produce throughout the year.

A Panamanian company processing edible oil has resumed full production after nearly a year of idleness. The oil is processed from copra purchased from the Institute of Economic Development, which in turn buys the coconuts from the San Blas area of Panama. The management of the company is concerned that imports of surplus edible cottonseed oil from the United States may have an adverse effect on its production. Surplus edible cottonseed oil reportedly has entered Panama at 2 to 4 cents per pound less than the United States market price.

Argentina Anxious to Conclude Agreement with Venezuela Involving Exchange of Agricultural Items for Petroleum: The Economic Counselor of the Argentine Embassy in Caracas states that he has been directed to proceed with the negotiation of a commercial treaty with Venezuela and that his country is not only ready, but anxious, to conclude an agreement. He said that the first proposal for trade between the two countries was to exchange about 660 thousand bushels of wheat for 500,000 barrels of petroleum, but that now his country would like to broaden the base to include other Argentine products, such as preserved milk, hides, fruits and specialties in exchange for petroleum, coffee, cacao and sisal.

Brazil's Exchange Revision Should Increase Dollar Exports: An important aspect of the new exchange policy in Brazil (reported in Foreign Crops and Markets August 23, 1954) is that the free market dollar sells for more cruzeiros than do clearing agreement dollars. Other things being equal, therefore, the exporter should be able to quote lower prices in dollars than in other currencies. Under the previous system, a clearing agreement dollar was equivalent in cruzeiros to a free United States dollar. Since a discount on clearing dollars existed in currency trading centers, this encouraged "switch" deals under which coffee and other products were bought by third parties in clearing dollars for resale in the United States.

Peruvian Export Crops Hit by Unseasonably Cold Weather: Late crop reports indicate that largely as a result of unseasonably cold weather, earlier production estimates of Peruvian export crops - Tanguis cotton, sugar, and rice - must be revised downward. The Tanguis cotton crop pickings were cut short by the cold weather, and exports are expected to be slightly less than a year ago. Most of the sugarcane was already well advanced before the cold weather arrived and was not significantly affected. The decline in production from a year earlier may be no more than 5 or 6 percent but the effect on the 1955 sugar crop may be somewhat greater. Rice producers were particularly hard hit by the cold. It now seems likely that this year's rice production may be about 20 percent below last year's record crop with the continued cold sharply reducing yields on a planted acreage somewhat greater than a year earlier. There now appears little probability that there will be an export surplus of rice.

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